



NEWSLETTER

NORTH CAROLINA DISTRICT OFFICE

June 2007

Patriot Express

Do you have clients who are part of the military community and need assistance in starting a business or expanding their business?

SBA's Patriot Express Initiative has new and enhanced programs and services for veterans and members of the military community wanting to establish or expand small businesses. Eligible military community members include:

- Veterans
- Service-disabled veterans
- Active-duty service members eligible for the military's Transition Assistance Program
- Reservists and National Guard members
- Current spouses of any of the above
- The widowed spouse of a service member or veteran who died during service or of a service-connected disability

Patriot Express loans may go up to \$500,000 and qualify for a guaranty up to 85% for loans \$150,000 or less and a guaranty of 75% for loans above \$150,000 to \$500,000.

Interest rates for Patriot Express loans range from 2.25% to 4.75% over prime depending upon the size and maturity of the loan.

For details go to: www.sba.gov/patriotexpress.

Proper Software Management

SBA and the Business Software Alliance are partnering to educate 100,000 small businesses on proper software management and the risks associated with the use of unlicensed software.

"Software Strategies for Small Businesses" will provide small businesses, SCORE, SBTDC's, Women's Business Centers with a set of software asset management tools and educational materials to help small businesses establish, communicate and enforce policies that ensure copyright compliance in the work force.

"Software Strategies for Small Businesses" encompasses the following:

- Developing "best practices" publications that communicate guidelines for small businesses on implementing software asset management programs;
- Ten Steps for Software Compliance fact sheet, Software Piracy and the Law fact sheet and software audit tools;
- Creating an interactive Web page, free software audit tools.

For more information, please visit www.smartaboutsoftware.org.

Flag Day

June 14 is Flag Day! This year, it marks the 225th birthday of the US Flag! On June 14, 1777, the United States Continental Congress officially declared the Stars and Stripes the US flag.



Active Lender Rankings FY 2006 YTD: October 1, 2006 – May 31, 2007

	7(a)		504	504
Lender	Approvals	Gross 7(a) \$'s	Participation	Participation
			Loans	\$'s
Bank of America	212	\$ 5,784,200	4	\$ 2,762,500
Superior Financial Group	188	\$ 1,666,500		
Capital One Federal Savings	115	\$ 5,845,000		
BB&T	65	\$ 18,513,400	3	\$ 3,822,000
Business Loan Center	53	\$ 7,317,400		
Innovative Bank	44	\$ 655,000		
Wachovia	41	\$ 20,575,100	4	\$ 3,824,000
CIT	37	\$ 20,346,200	1	\$ 506,000
Self Help Credit Union	33	\$ 1,846,500		
Surrey Bank & Trust	32	\$ 3,401,500		
Bank of Granite	31	\$ 4,735,800		

Certified Development Corps.		
Self-Help Ventures Fund	46	\$ 22,881,000
BEFCO	23	\$ 12,422,000
Centralina Dev.	20	\$ 10,709,000

Reminder: “Small Business Days” Schedule

The North Carolina District Office is offering “Small Business Days” at the following chambers. “Small Business Days” will offer chamber members and other small business owners the opportunity to discuss SBA loan programs with an SBA Marketing and Outreach Specialist. The Chamber will schedule the appointments for the business owners.

Location	Day	Hours	Phone Number
Cary	Third Wednesday	10 a.m.- 2 p.m.	919-467-1016
Charlotte	Fourth Tuesday	9 a.m. - 4 p.m.	704-344-6563
Gastonia	Second Tuesday	9 a.m. - 1 p.m.	704-864-2621
Greensboro	First Tuesday	10 a.m.- 2 p.m.	336-510-1234
Hendersonville	Third Friday	10 a.m.- 2 p.m.	828-692-1413
Hickory	Third Tuesday	10 a.m.- 2 p.m.	828-328-6000 x224
Mooresville	First Thursday	9 a.m. - 2 p.m.	704-664-3898
Salisbury	Fourth Wednesday	9:30 a.m. - 2 p.m.	704-633-4221

Training Activities and Events

Let us help you promote your training activities and seminars. We can post them to our website calendar. Four weeks lead-time is required. E-mail updates to april.gonzalez@sba.gov or call (704) 344-6811.

How to Avoid Buying Fake Insurance for Your Business

by Glenn Townes

Every year thousands of consumers, including many small-business owners, suffer devastating financial losses when they discover that the health-insurance policies they purchased are worthless.

Generally, here's how the scam works: An unsuspecting business owner shops for health-insurance coverage for himself and his employees by using a multitude of shopping options, such as the Internet, advertisements in local newspapers and word of mouth. The business owner locates an insurance broker. As with many start-up and existing businesses, containing costs is the paramount concern—so any insurance broker that offers extremely reasonable rates will usually attract the budget-conscious entrepreneur.

When you finally locate an insurance broker offering reasonable health-care insurance coverage for a small business with less than 10 employees, you quickly purchase a policy, bowled over by the sales pitch, proposed amenities and, of course, the super price. Eventually, you or one of your employees becomes ill and files a medical claim—it's a substantial claim, and the insurance company denies it. The insurance broker suddenly vanishes, and you are left to pay thousands of dollars in medical costs for yourself or your employees.

According to statistics from the National Association of Insurance Commissioners, even the sharpest consumers are routinely scammed by insurance con artists. For example, between 2000 and 2002, more than 144 unlicensed or bogus insurers across the country sold fake health-insurance policies to more than 200,000 unsuspecting policyholders, resulting in about \$252 million in unpaid claims. In the past several years, unscrupulous insurers have set up shop under the cogent names of "Employers +Mutual," "TRG Insurance" and "Local 16 Insurance." Also, some brokers have claimed to be affiliated with legitimate insurers and have sold policies to consumers and small-business owners—relying on name recognition—only to disappear after the premiums are paid, and a claim is filed.

Unfortunately, no one is immune to the problem of fake health-insurance policies or the equally deceptive "discount health plans." These discount health plans have duped thousands of consumers by promoting often misleading and confusing information. In some cases, the plans masquerade as actual health-insurance coverage.

Discount health plans are touted as an alternative to legitimate health-insurance coverage, when in fact, the plans are virtually worthless and do not pay for medical services. Many of these problematic plans offer only a modest, if any, savings on various medical procedures and are often based on inflated cost of the procedure. For example, a discount plan will advertise that it will save a consumer 50 percent on a medical procedure, such as an X-ray. If the procedure on average costs about \$300, the discount plan will list the procedure as costing about \$600 and offer a 50-percent discount, meaning that you would still have to pay \$300 to the doctor or facility that performs the service, in addition to the monthly service charge/fee that you pay. Ultimately, the consumer doesn't save anything.

Typically, a company intent on bilking policyholders will draw in new customers with attractive discounted premium rates, often too good to be true and substantially lower than competitors. In some cases, the fly-by-night firms will even establish a short-term credible track record and actually pay some small claims. They eventually rake in enough premiums and then fold—or simply vanish with the money, paying only a few, if any, claims. Insurance industry officials advise all consumers, particularly small-business owners, to be leery of obscure insurance brokers offering cut-rate discounted rates on health-insurance coverage. The NAIC is encouraging consumers to "Stop. Call and Confirm." The message is clear: If you locate an insurance broker and are unsure about the reputability of the broker, you should:

- Stop before signing anything or writing a check.
- Call the Office of the Commissioner of Insurance in your state.
- Confirm the broker is legitimate and licensed to do business in the state.

By following these simple steps, entrepreneurs can avoid becoming victims of the growing problem of bogus insurance.

Small Business Person of the Year

Get a jump on 2008! Do you know a deserving individual that may be the next Small Business Person of the Year or a Small Business Champion? Contact Mike Ernandes at 704-344-6588 or mike.ernandes@sba.gov. Please include the name and contact information of the nominee.

Small Business Loans

Does your client need a small business loan? Does he or she have a start up business and need a loan under \$15,000? Do you know about the CommunityExpress Loan Program? These loans serve women, minorities, veterans and low to moderate income areas. Our training calendar is your source for the workshops in your area.

These workshops offer on the spot loan applications and assistance with the application. Local technical assistance providers are available to answer questions and accept applications.

Have you attended one of these workshops? Check out our web calendar for the workshop in your area. For more information on the CommunityExpress Loan Program and the technical assistance providers go to: www.sba.gov/nc/nc_communityexpressnc.html.

Give Us Your Success Stories

We are looking for borrowers to participate in the SBA's SUCCESS STORY program. Do you know an SBA client that meets the criteria below? Would you like to showcase your organization on our website? The Success Story Database is a listing of small businesses that have received SBA assistance.

This list is used to provide information on these small firms to local and national media. These newspapers, radio and TV stations may use this information for profiles, special interest and other types of stories. The SBA also uses this list to highlight local firms while doing radio and TV interviews.

Success story firms should:

- Be in business for at least 3 years
- Show an increase in the number of employees or growth in revenues
- Provide examples of contributions to the community

Please call Mike Ernandes at 704-344-6588 or e-mail mike.ernandes@sba.gov with the name and contact information of any firms that you think might be interested in increased media opportunities.

Have You Viewed The SBA Training and Events Calendar?

Do your clients need to write a business plan? Learn how to advertise effectively? Need financing to start or expand their businesses? Our training calendar has workshops, classes, events and programs to meet your client's needs. New spring schedules will be starting. Have you surfed over lately?

Online Training

The North Carolina District Office offers SBA Programs and Services Training every Friday. From 9 to 10 a.m. and again at 12:30 to 1:30 p.m., an SBA District employee will provide live training through "Ready Talk" software. Your clients can call in and sign into the website for a live PowerPoint presentation.

SBA loan programs, counseling, and government contracting will be highlighted. This can be a useful tool for you to refer to your start-up clients. It can also be a refresher course for you and your fellow counselors.

Go to: www.sba.gov/nc/trainonline.html to register and for more information.

North Carolina Resource Guide

Due to the limited supply of the 2007 Resource Guides, co-sponsored by Reni Publishing and the SBA, the guides are available online for you and your client. Go to: www.reni.net/guides and click on North Carolina.

Quote of the Month

A diamond is a lump of coal that stuck with the job. -- Unknown